



PORT OF TALLINN

Unique asset for investment

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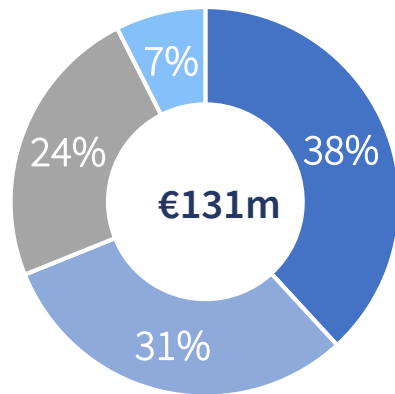
1. Business model (3-10)
2. Competitive position and strategy (11-29)
3. Volumes and financial results (30-35)



Resilient infrastructure business model

DIVERSIFICATION

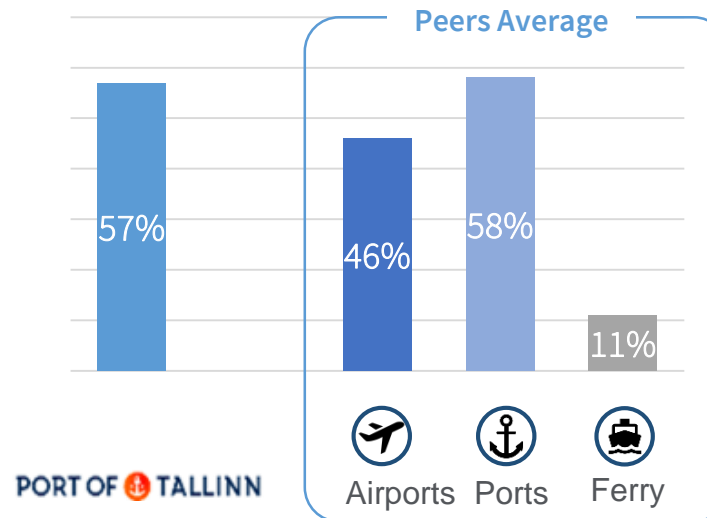
2019 Revenue



■ Passenger H ■ Cargo H ■ Ferry ■ Other

PROFITABILITY

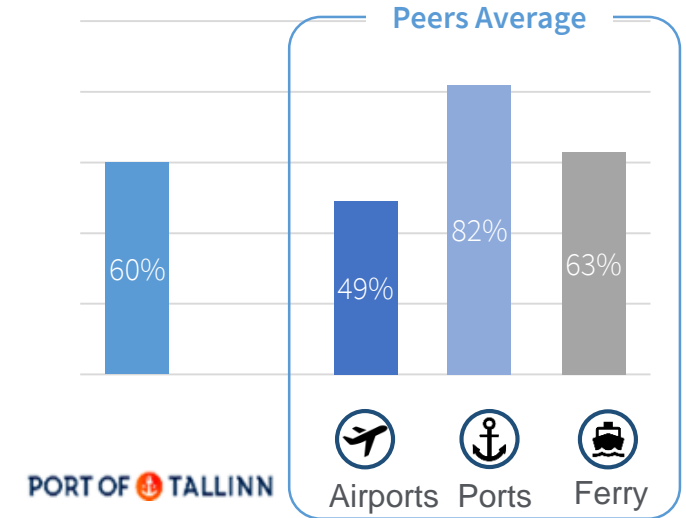
2019 Adjusted EBITDA Margin



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CASH FLOW GENERATION

2019 Cash Conversion



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STRONG DIVIDEND PROFILE

min 70% of net profit for dividends

Where we operate

ESTONIA

- Part of EU, eurozone, OECD and NATO
- Currency EUR
- Next door to Russia, Scandinavia, Baltics
- Stable credit rating outlook A1 (Moody's) and AA- (S&P)
- Consistently lowest government debt level in EU



A Well Balanced Business Profile

Business segments

Passenger Harbours

International ferry lines, cruise, ro-ro

Old City Harbour (main)

Saaremaa Harbour



Cargo Harbours

Liquid bulk, Ro-Ro, dry bulk, containers, general cargo, industrial parks, PAX with vehicles

Muuga Harbour

Paldiski South Harbour



Other

Icebreaking (MPSV Botnica)

- 10-year agreement with the state for winter until Q2 2022
- Off-shore and other projects in summer



Ferry

Operation of local ferry lines to the main islands

- 2 routes with 5 ferries
- 10-year agreement with the state until Q3 2026



Waste Management

- Joint venture AS Green Marine

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Where we operate

FROM HARBOURS
TO VESSEL OPERATIONS



Ice-breaker
Botnica

Tallinn



Muuga Harbour



Old City Harbour



Old City Marina



Paldiski South Harbour



Ferry transfer to islands



Saaremaa
Harbour

Revenue Structure & Main Customers

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Passenger harbours

Regular lines



Cruise



Other

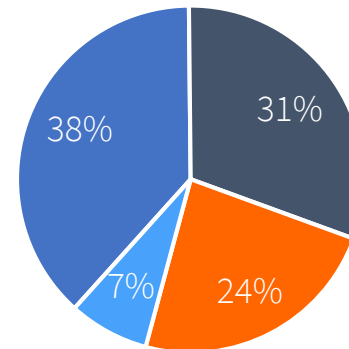
Botnica



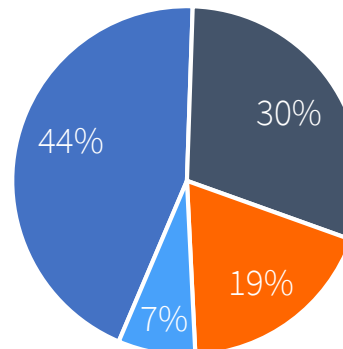
Republic of Estonia



Revenue 2019



Adj. EBITDA 2019



Cargo harbours

Terminal operators



Shipping lines



Ferry

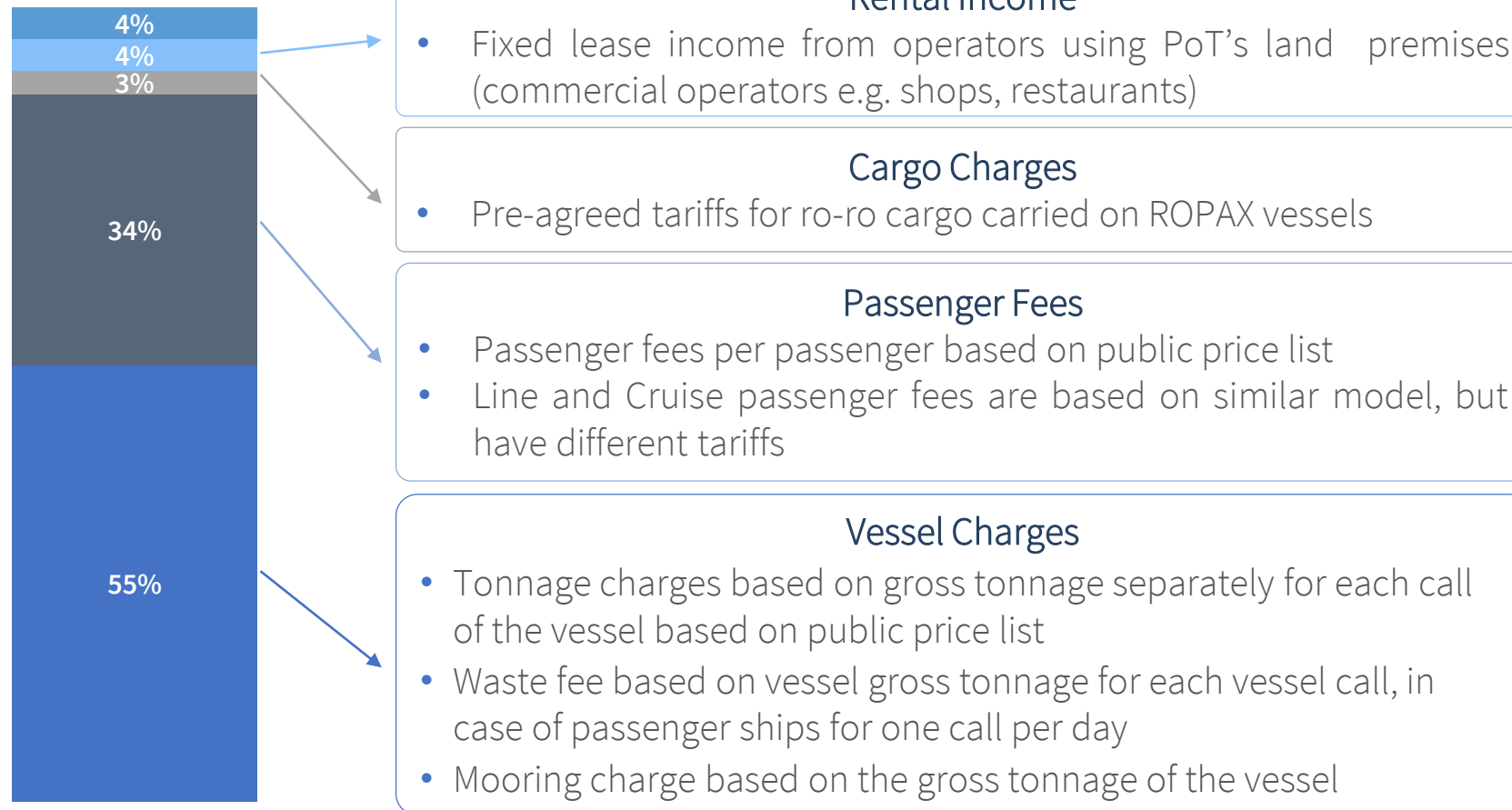
Clients



Republic of Estonia

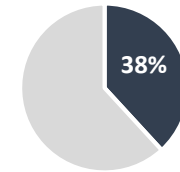
Revenue model

Passenger harbours

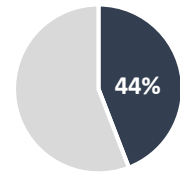


2019 Contribution

Revenue



Adjusted EBITDA



Key Customers

Regular Lines

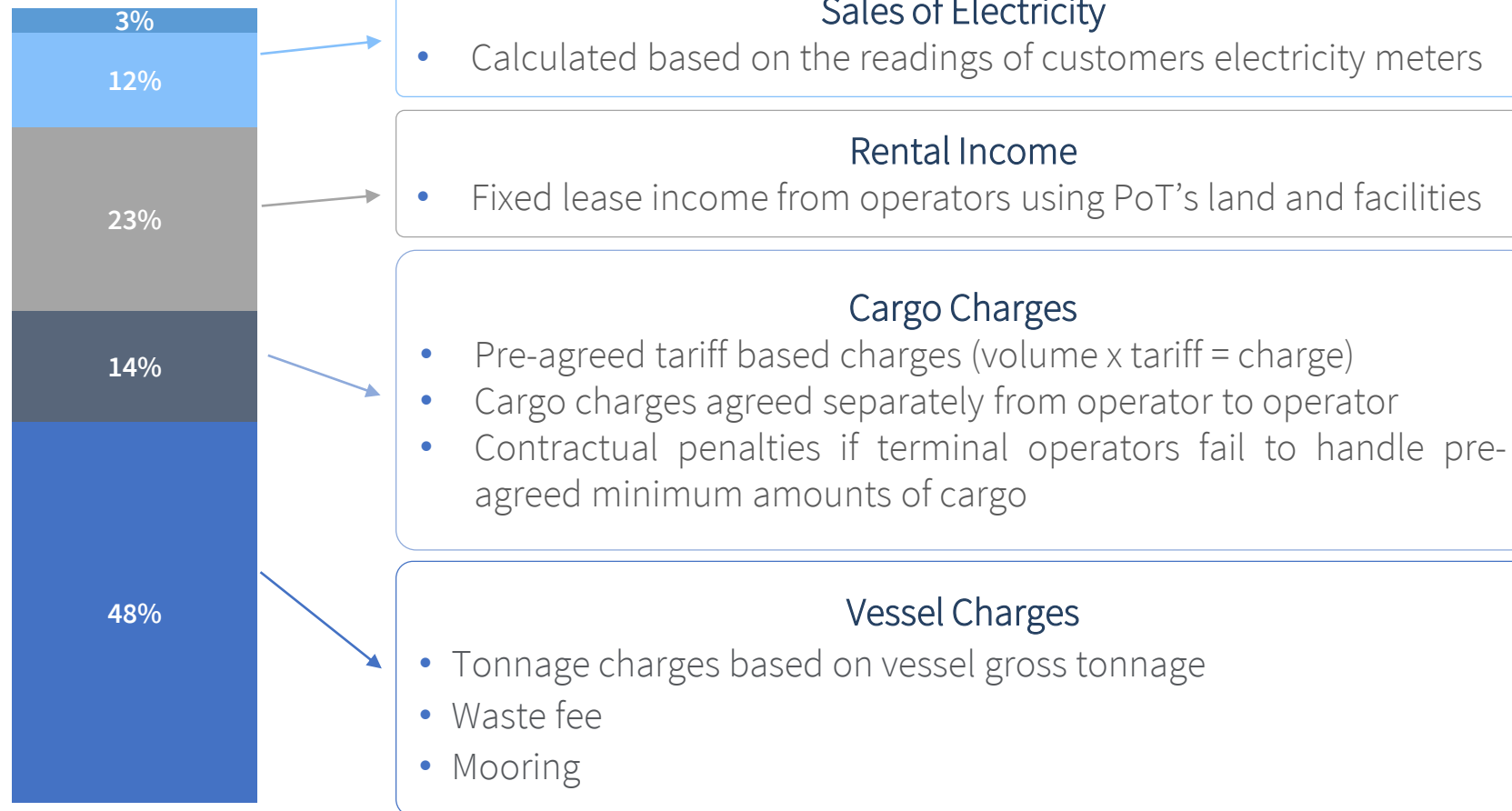


Cruise



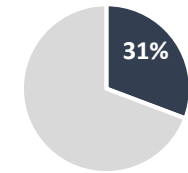
Revenue model

Cargo harbours

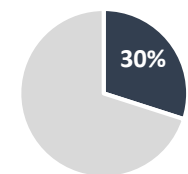


2019 Contribution

Revenue



Adjusted EBITDA



Key Customers

Terminal Operators

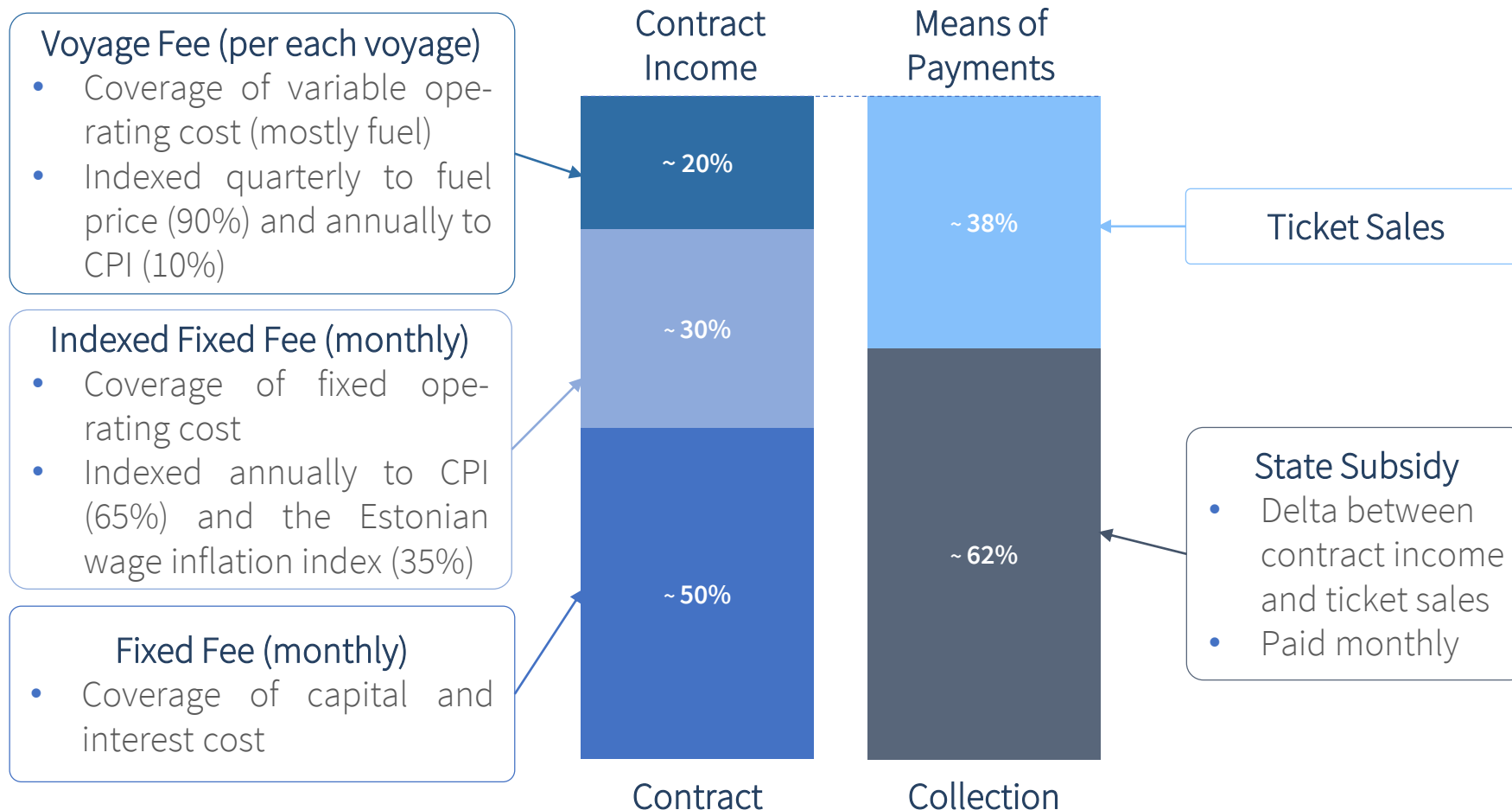


Shipping Lines



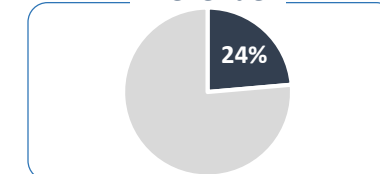
Revenue model

Ferry business

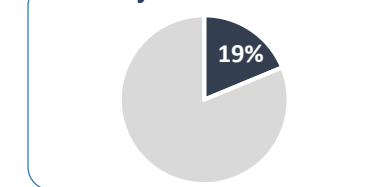


2019 Contribution

Revenue



Adjusted EBITDA



Customer



State of Estonia

An aerial photograph of the Port of Tallinn, Estonia, showing the city's layout, the harbor, and several large ships docked at the piers. The entire image is overlaid with a semi-transparent blue filter.

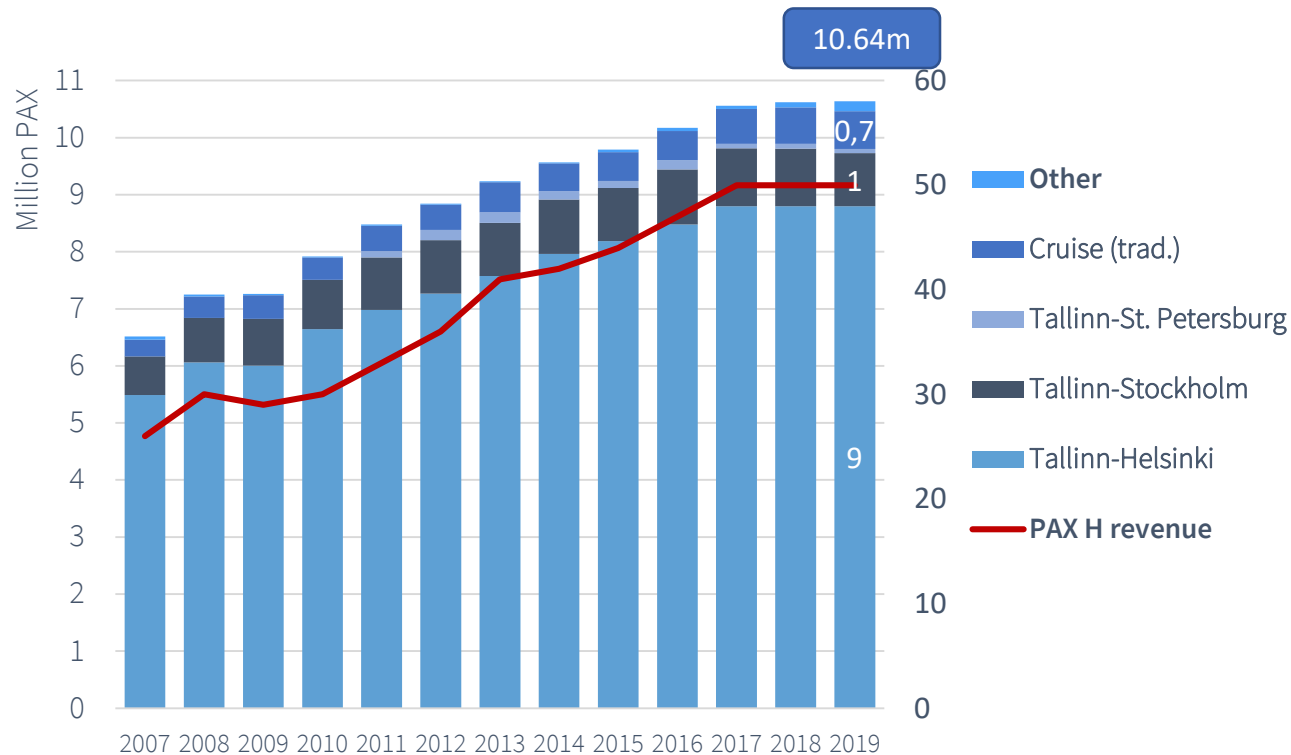
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Competitive position and strategy

4th biggest passenger port in Northern Europe

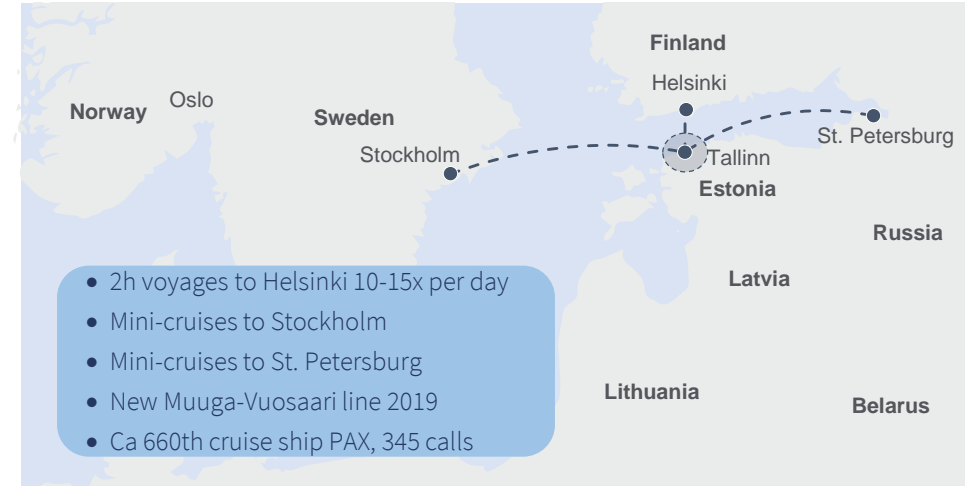
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PAX: consecutive growth for 12 years

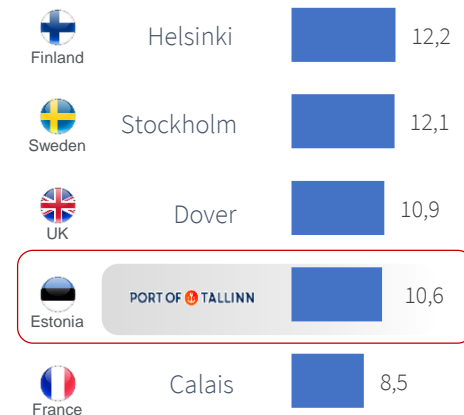


✓ Natural monopoly

✓ Blue chip customers



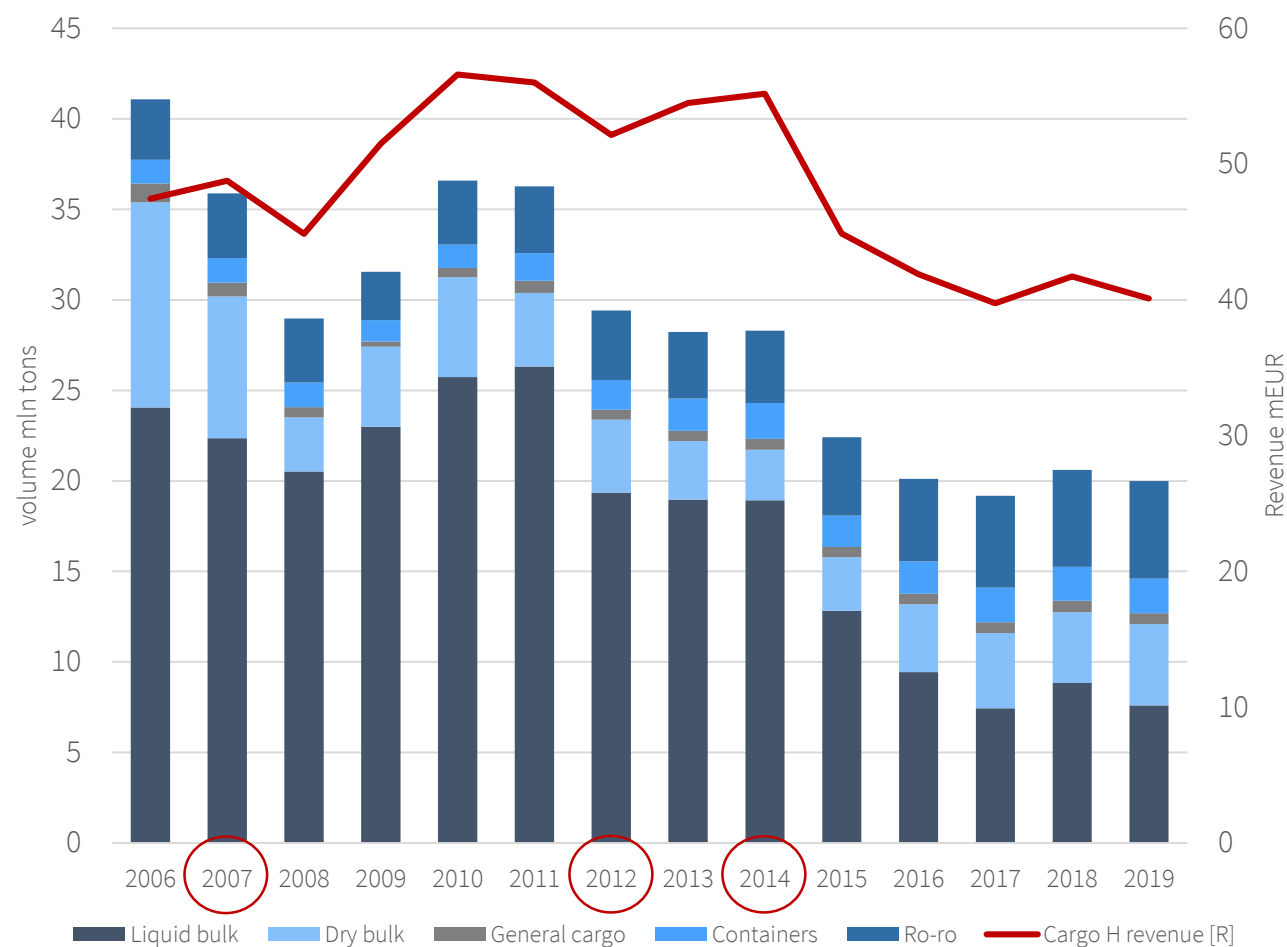
Top 5 PAX Ports in Northern Europe in 2019 (millions)



Cargo - change of business model

- Revenue resilient despite decrease in volumes
- Less dependency on Russian transit cargo
 - 2007 – political conflict between Estonia and Russia
 - 2012 – Russian Ust-Luga port starts operations
 - 2014 – sanctions against Russia, ship-terminal-ship model

Cargo volume and revenue



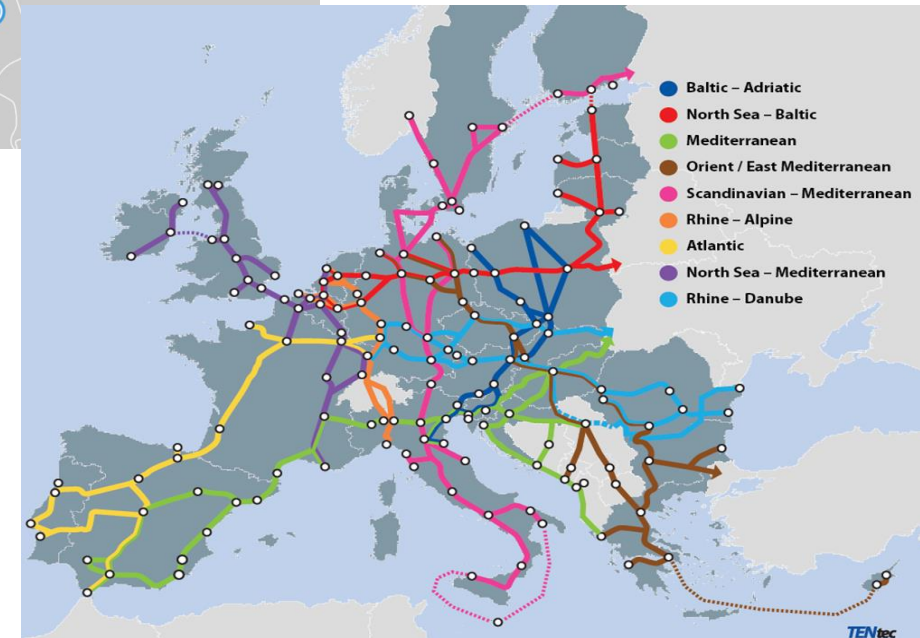
Cargo logistics chain developments

- A shift from East-West to North-South cargo flows
- New operators/owners and business models
- Cooperation with Helsinki and other ports
- EU TEN-T network connection
- China Belt and Road connection
- Digitalisation



Rail Baltica 2026

<http://www.railbaltica.org/>





MUUGA HARBOUR

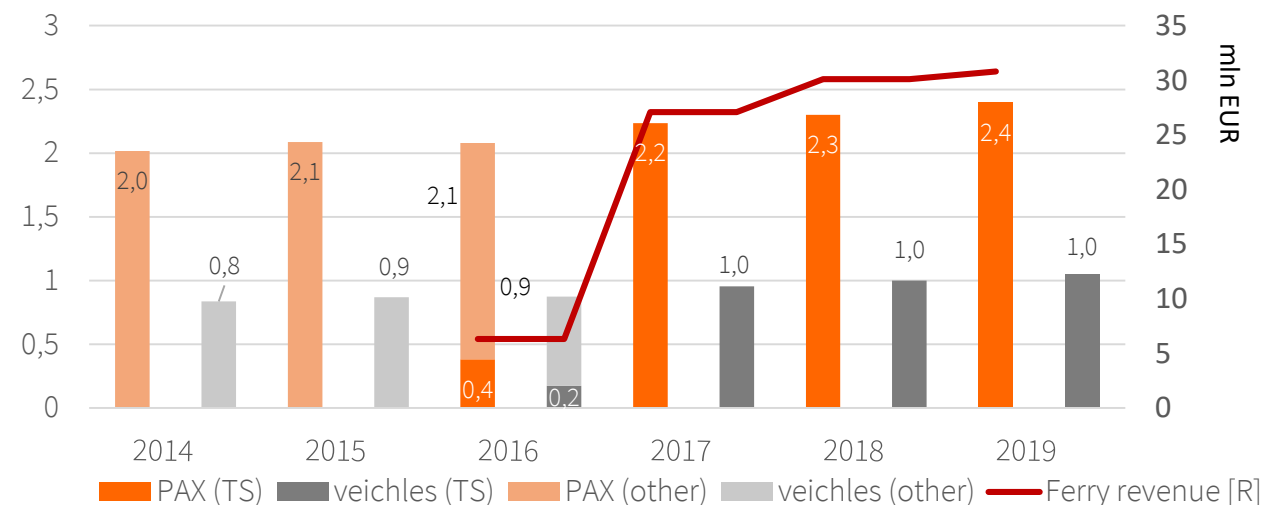
New projects, cargo operators and owners

Ferry business

- Subsidiary TS Laevad
- Operating 5 vessels on 2 routes
- Agreement with the State until Sept 2026
- Additional trips on summer peak-time



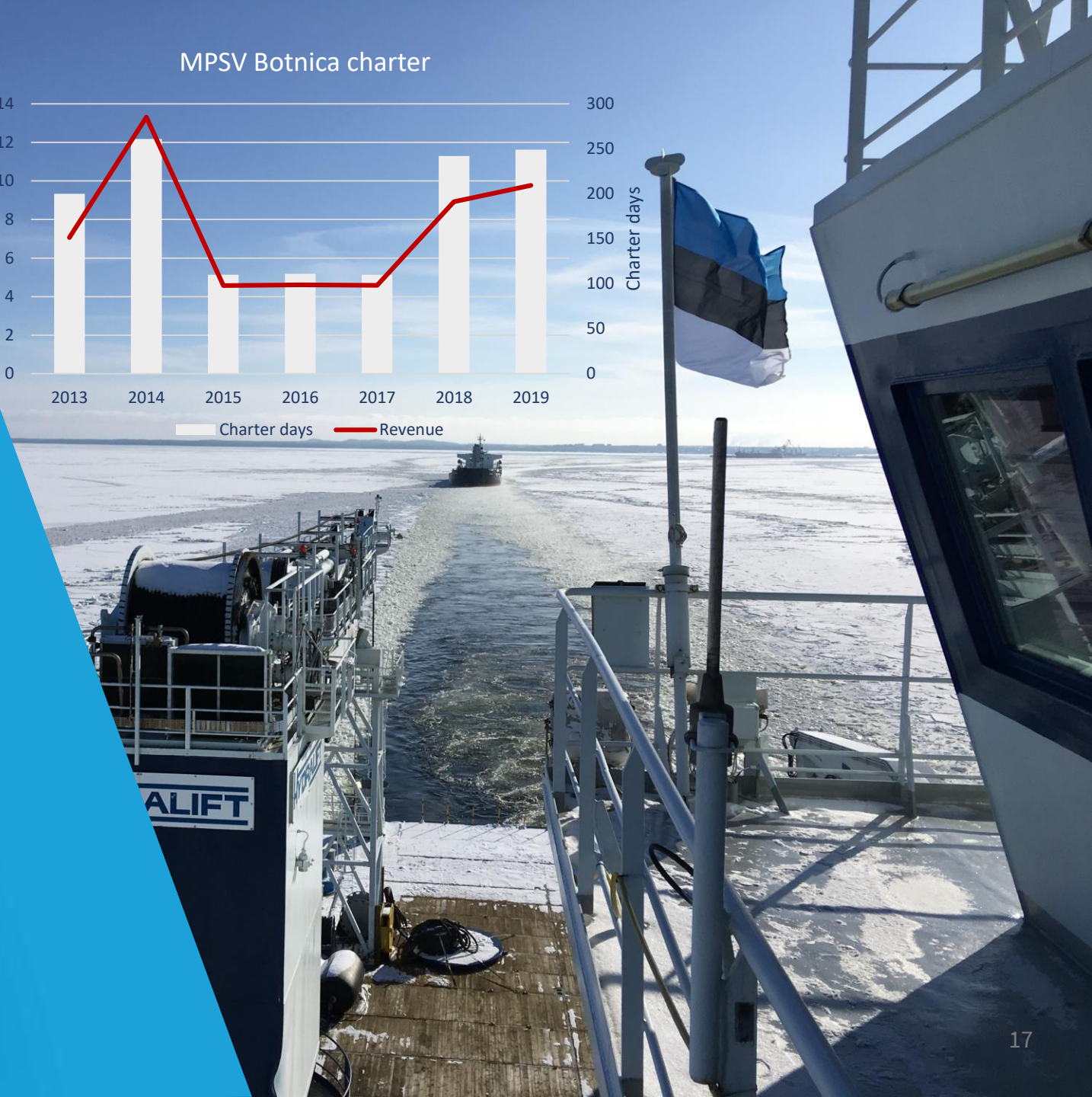
Growing volumes (mln)



MPSV Botnica

- Subsidiary TS Shipping
- Agreement with the State for icebreaking in winter until Apr 2022
- Summer charters (May-Nov):
 - 2018-2022: Baffinland Iron Mines. *Ice management and escort service for iron ore shipments from Baffin island.*
 - 2014: Karmorneftegaz (Rosneft + ExxonMobil). *Support of drilling campaign at the Kara Sea.*
 - 2013: NDE Offshore, Siemens. *Air diving works in the North Sea renewables sector.*

MPSV Botnica charter



Green solutions

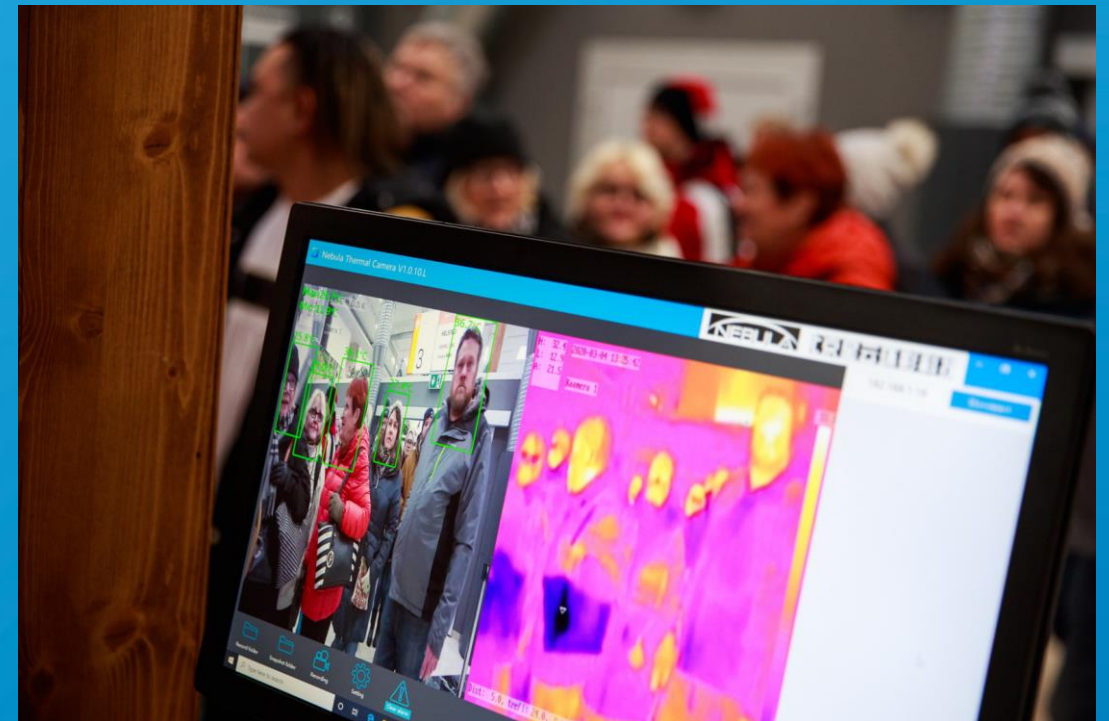
- Dues discount for vessels based on ESI index
- 93% of ship generated waste reused in the circular economy
- Waste water reception via pipeline from PAX ships
- On-shore Power Supply
- Auto-mooring system
- E-Nose system in Muuga
- LNG bunkering for ROPAX ships
- Silver quality label in CSR, ISO 14001



COVID-19 main impacts

- **PASSENGER H**: strong downturn from March 2020, no cruise calls. Temporary restrictions for passenger movement, ro-ro cargo keeps ROPAX vessels moving
- **CARGO H**: volume growth in 9M, possible downturn in some cargos depending on overall economy; temporary lines in Paldiski
- **FERRY**: no significant effect
- **OTHER**: no significant effect

Investments continue. Hold-back in repairs and personnel costs

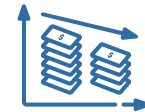


MEGATRENDS

Environmentally
friendly vessels



Cost efficiency



Digitalisation and
automation



Environmental
requirements



VISION

Unmanned vessels



Fully automated
terminals and
multimodality



Digital data
exchange



Sustainable port



Client experience



Growth opportunities

Passengers

- Line traffic development – Muuga-Vuosaari line also for passengers
- Passenger terminals renovation
- Cruise terminal construction
- Service speed and quality - Smart Port and traffic management systems, auto-mooring



Growth opportunities

Cargo

- Trade increase Scandinavia-Mediterranean (incl. Rail Baltica)
- Belt and Road (e-trade, distribution center)
- Green energy and container goods market growth
- Increased cooperation and further digitalization of the logistics chain
- Available existing capacity for growth



Growth opportunities **Shipping**

Ferry service:

- 3rd ferry on Saaremaa line
- Efficiency of operations
- New routes

Icebreaking/offshore:

- MPSV Botnica summer charter (increasing demand)



Growth opportunities

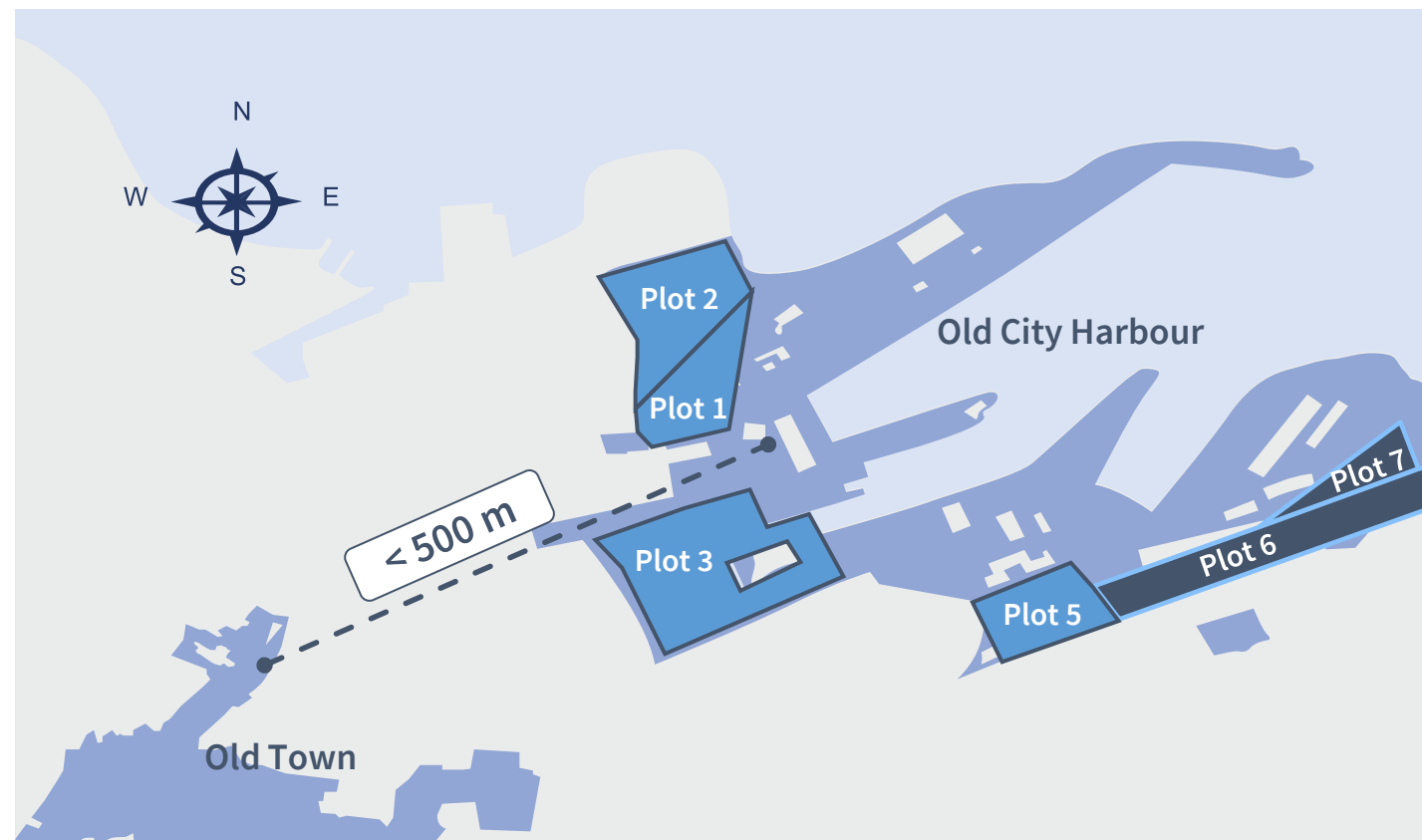
Real estate

Tallinn Old City Harbour development plan Masterplan 2030+

- Detail planning process ongoing with 5 areas
- Total build up area of 240 000 m² gross area + extension possibility by land reclamation

Development of the **industrial parks** in Muuga (76ha) and Paldiski (34ha) and providing additional value

Prime Real Estate in Tallinn City Centre



Commercial use

Commercial and Residential use

Total land area (for real estate) of 16.2 ha

Tallinn Old City Harbour „Masterplan 2030+“

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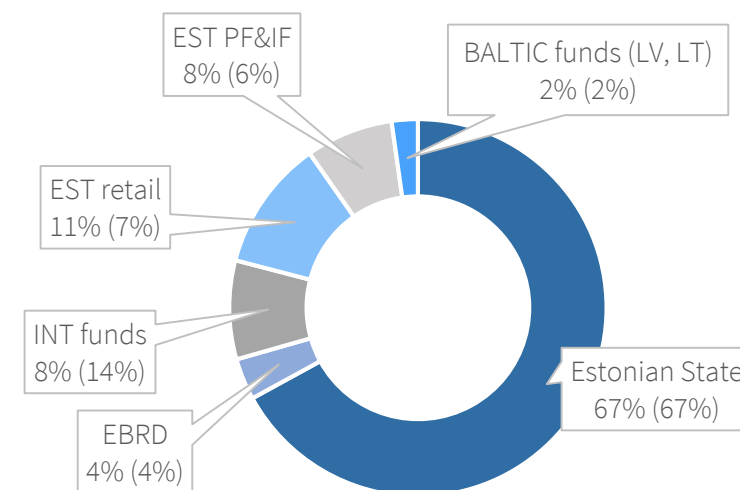
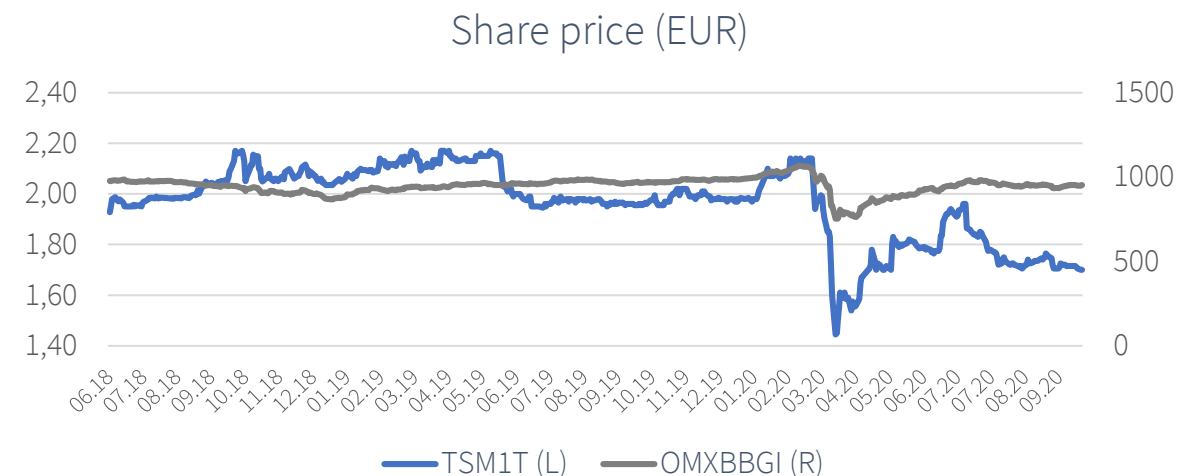


Future vision by Zaha Hadid Architects

Trading of the share

Listed on Nasdaq Baltic Main list

- In TOP3 most traded shares in the Baltics
- Stable shareholder structure
- Market capitalisation EUR 447 mln (20.10.2020)
- Free float 33%, i.e. 86.7 million shares
- **Analyst coverage:** Citi, ERSTE, Carnegie, SEB, Swedbank, LHV, Enlight Research



*as at 30.09.2020 compared to 12.06.2018 in brackets

Experienced Management and a Supportive Governance Framework

Management Board



Valdo Kalm
CEO

Joined: 2016

*Previously CEO of
Eesti Telekom*



Marko Raid
CFO

Joined: 1997

*Various managerial
positions within PoT*



Margus Vihman
CCO

Joined: 2016

*Several executive
positions at various
organisations*

Supervisory Board / Board of Directors

6/8 independent members

Main objectives of the State as majority shareholder:

Strategic

To function as the maritime vehicle and the driver of strategic initiatives in the Estonian logistics sector

Financial

To operate efficiently and profitably in order to support stable and growing dividends

Trans- parency

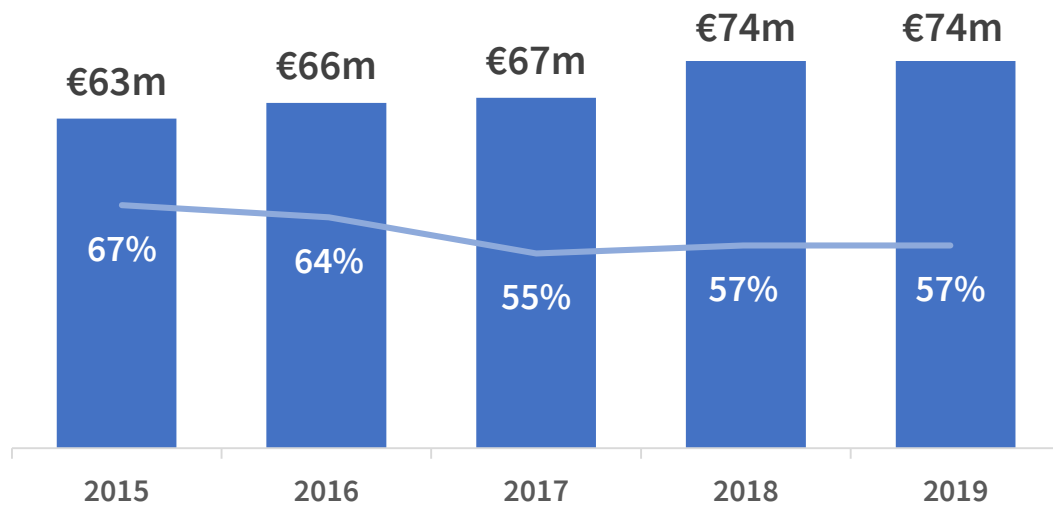
To set the standard for best-practice business culture

Supervisory Board selected through a comprehensive and transparent selection process (Nomination Committee proposal) to ensure independent majority

Substantial Cash Flow Generation

Strong Margins...

Adjusted EBITDA⁽¹⁾ & Margin

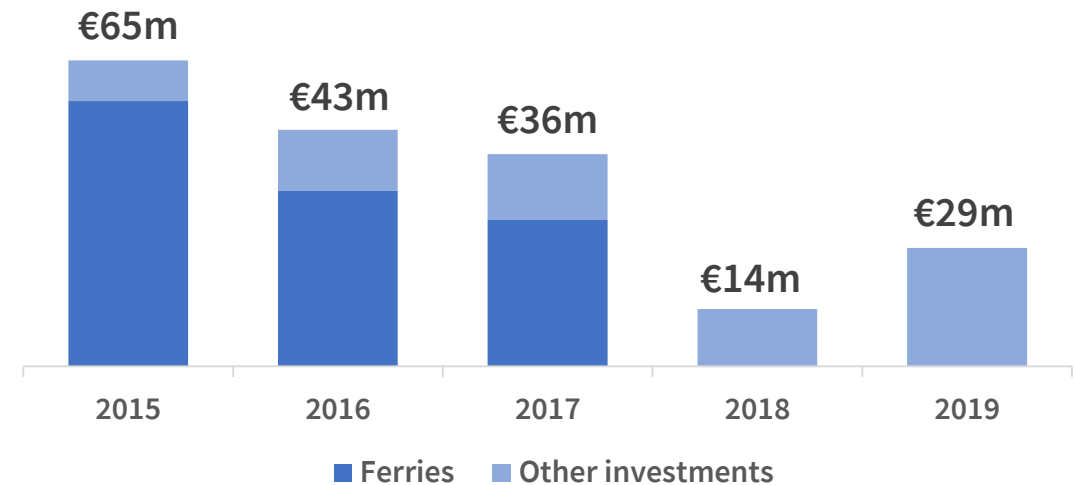


✓ Moderate EBITDA growth driven by shipping

✓ Margin evolution driven by changing business mix

...with Major Investments Completed in Recent Years

Capex



✓ 4 newbuild ferries, 1 used

✓ Upgrade of passenger quays

✓ Passenger terminal D

✓ Old City Harbour traffic solution

Expected average annual capex 20-25 mEUR

Dividend stock

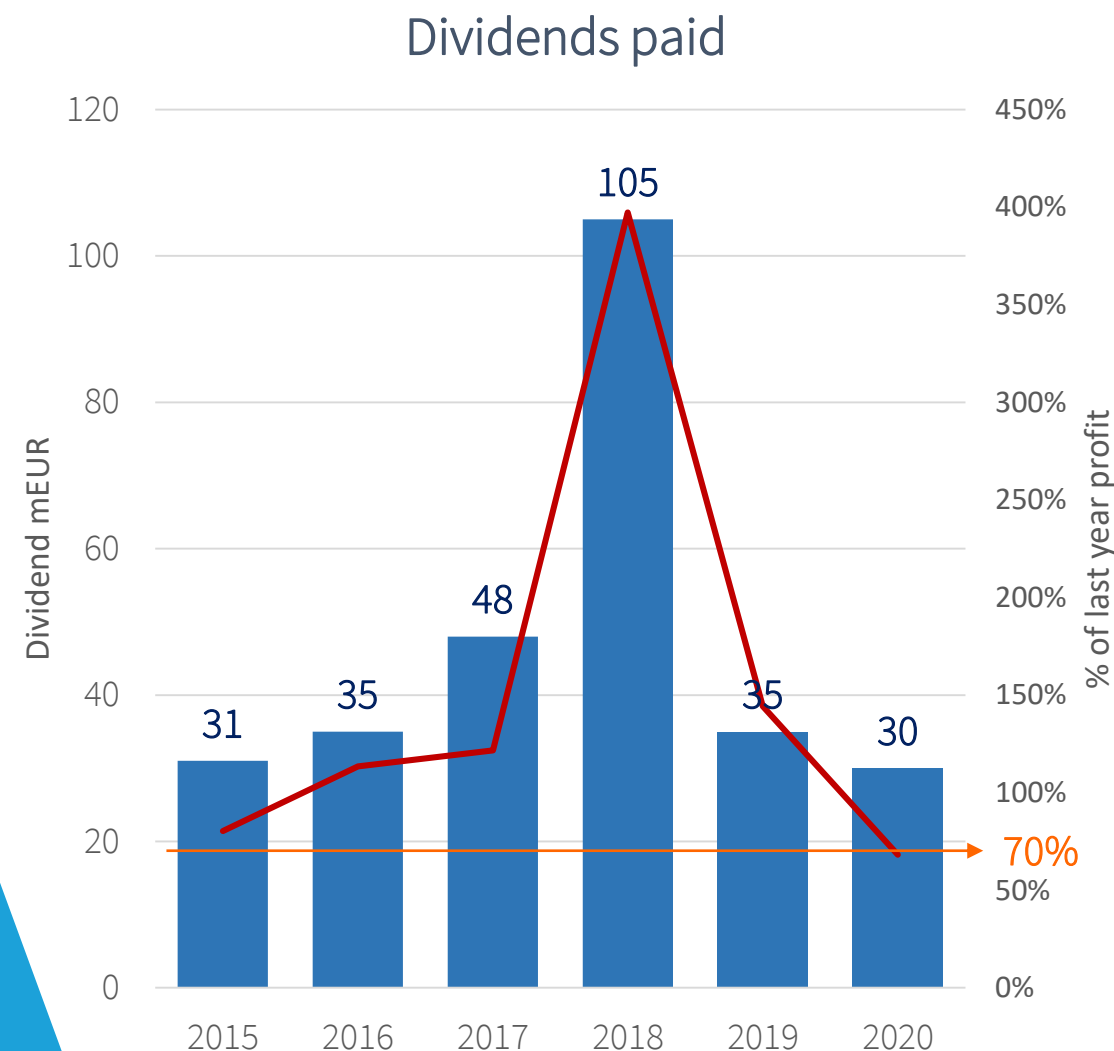
Equity story

- Expectations of the State as the majority shareholder for continuous stable dividends

DIVIDEND POLICY

- **Min EUR 30M** annually in 2019 and 2020
- starting 2021 **at least 70% of net profit**

Income tax 20% or 14%, gross-up, based on dividends

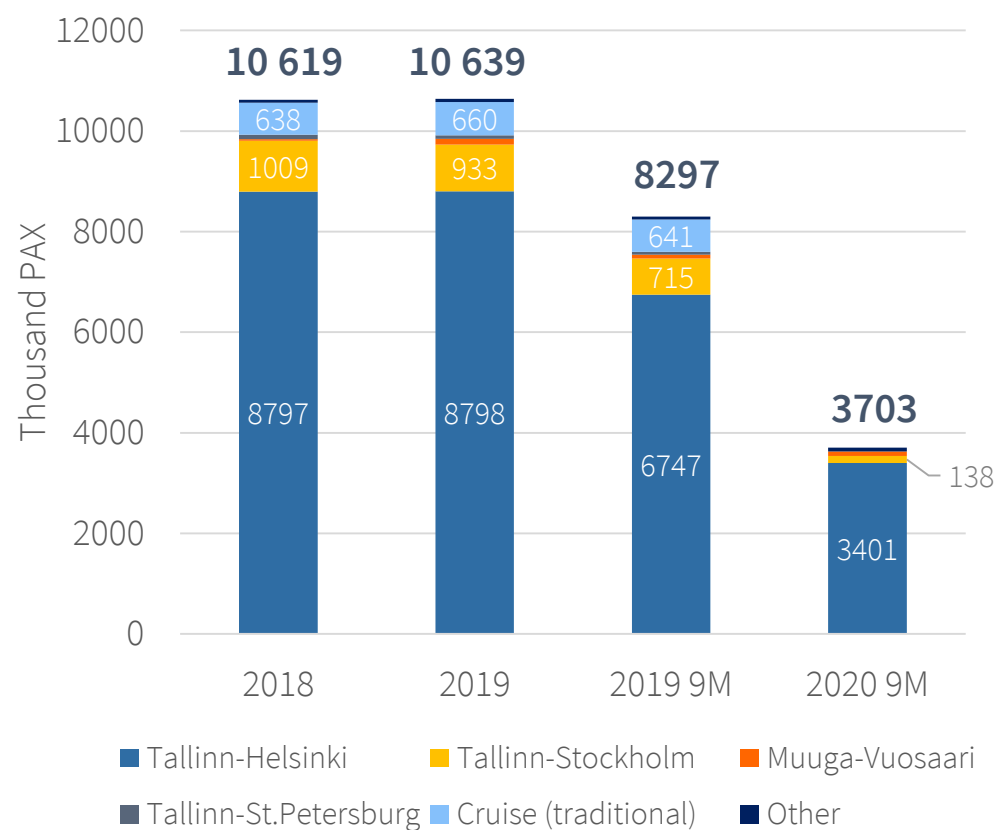


An aerial photograph of the Port of Tallinn, Estonia, showing various piers, ships, and port infrastructure. The image is overlaid with a semi-transparent blue filter. The text "PORT OF TALLINN" is centered over the image, with a small orange anchor icon replacing the word "OF".

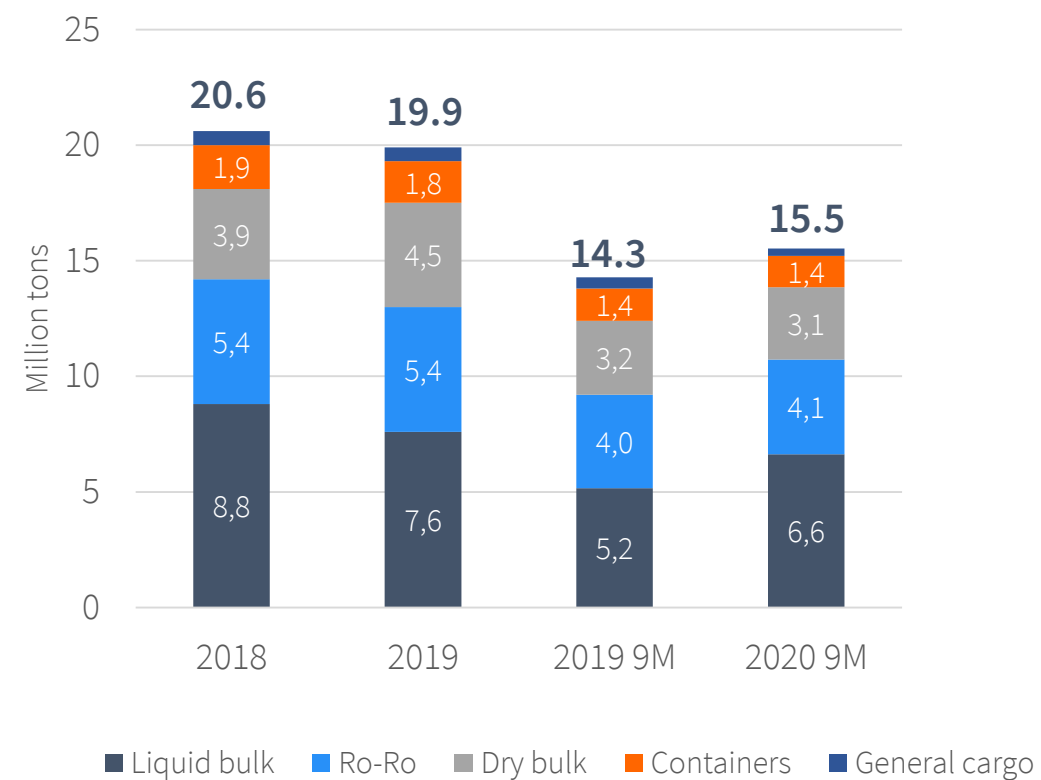
PORT OF TALLINN

Volumes & financial results

Passengers



Cargo



Results of the Group (1/2)

| <i>In thousand EUR</i> | 2018 | 2019 | 6M 2019 | 6M 2020 |
|---|---------|---------|---------|---------|
| Revenue | 130 635 | 130 536 | 61 350 | 50 289 |
| Operating profit | 52 075 | 51 679 | 24 731 | 15 113 |
| Adjusted EBITDA | 74 380 | 74 292 | 35 706 | 26 394 |
| Depreciation, amortisation and impairment | -22 345 | -23 037 | -11 193 | -11 912 |
| Income tax | -26 199 | -5 764 | -5 764 | -4 913 |
| Profit for the period | 24 423 | 44 404 | 18 199 | 9 151 |
| Investments | 14 251 | 29 484 | 11 070 | 17 382 |
| | | | | |
| Number of employees (average) | 496 | 492 | 487 | 471 |
| Cargo volume (th tons) | 20 608 | 19 931 | 10 009 | 10 235 |
| Number of passengers (th) | 10 619 | 10 639 | 4 697 | 2 083 |
| Number of vessel calls | 7 652 | 7 855 | 3 671 | 3 197 |

Results of the Group (2/2)

| <i>In thousand EUR</i> | 2018 | 2019 | 6M 2019 | 6M 2020 |
|--|-------|-------|---------|---------|
| Operating profit/revenue | 39.9% | 39.6% | 40.3% | 30.1% |
| Adjusted EBITDA/revenue | 56.9% | 56.9% | 58.2% | 52.5% |
| Profit for the period/revenue | 18.7% | 34.0% | 29.7% | 18.2% |
| EPS: Profit for the period/weighted average number of shares (EUR) | 0.11 | 0.17 | 0.07 | 0.03 |
| Equity/number of shares (EUR) | 1.40 | 1.43 | 1.33 | 1.35 |
| Profit for the period/total assets | 3.9% | 7.1% | 3.0% | 1.4% |
| Profit for the period/equity | 6.6% | 11.8% | 5.2% | 2.6% |

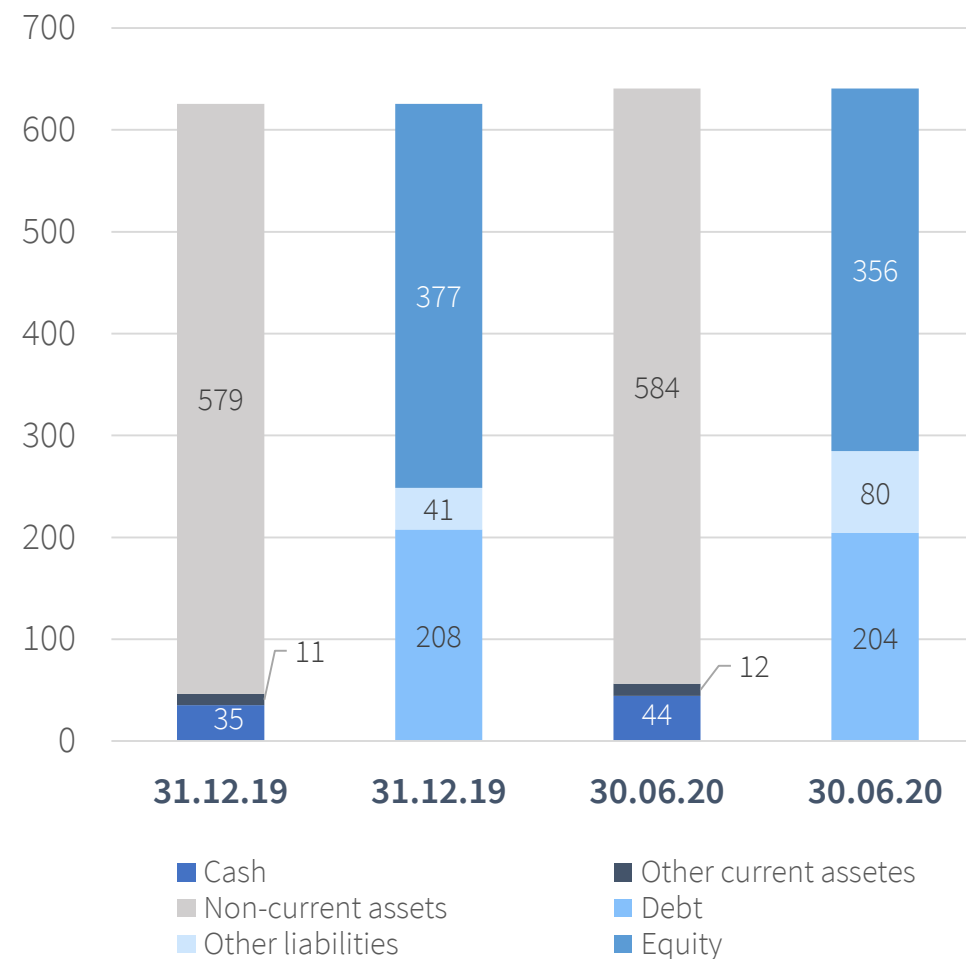
| <i>In thousand EUR at period end</i> | 2018 | 2019 | 6M 2020 |
|--------------------------------------|---------|---------|---------|
| Total assets | 623 639 | 625 532 | 640 662 |
| Net debt | 171 049 | 172 663 | 160 132 |
| Equity | 367 674 | 377 018 | 355 994 |
| Number of shares (th) | 263 000 | 263 000 | 263 000 |
| Share price | 2.04 | 1.99 | 1.92 |

Cash Flow and Financial Position

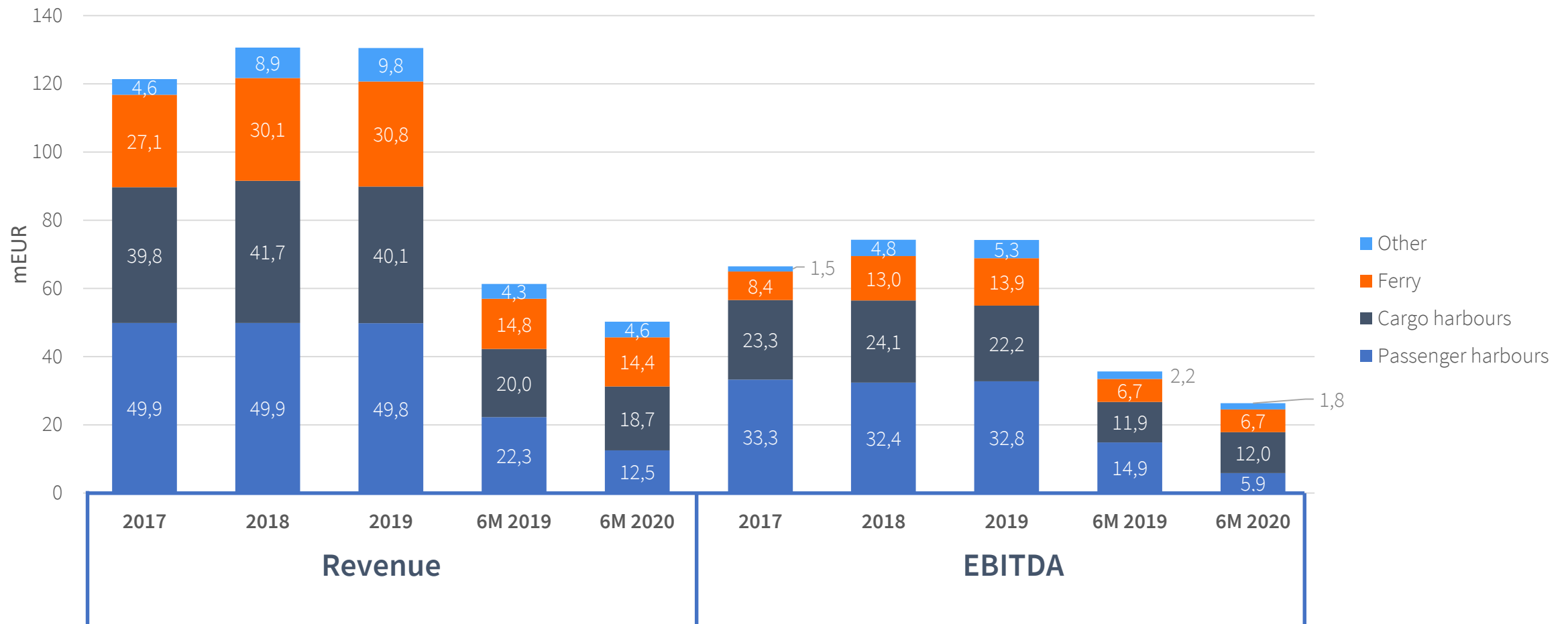
Cash Flow statement

| In thousands | 2018 | 2019 | 6M 2019 | 6M 2020 |
|--|---------|---------|---------|---------|
| Cash from operating activities | 57 113 | 63 419 | 31 484 | 26 610 |
| Cash used in investing activities | -12 325 | -28 244 | -10 159 | -13 257 |
| Free cash flow (FCF) | 44 788 | 35 175 | 21 325 | 13 353 |
| Cash from/used in financing activities | -9 179 | -42 555 | -39 350 | -4 205 |
| NET CASH FLOW | 35 609 | -7 380 | -17 925 | 9 148 |
| NET DEBT (at period end) | 171 049 | 172 663 | 185 591 | 160 132 |

Financial position



Revenue generation by segments



Thank You!

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www.ts.ee